

104TH CONGRESS  
1ST SESSION

# S. 1210

To provide for educational choice and equity.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 6 (legislative day, SEPTEMBER 5), 1995

Mr. COATS introduced the following bill; which was read twice and referred  
to the Committee on Labor and Human Resources

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## A BILL

To provide for educational choice and equity.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Educational Choice  
5 and Equity Act of 1995”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to determine the effects  
8 on students and schools of providing financial assistance  
9 to low-income parents to enable such parents to select the  
10 public or private schools their children will attend.

11 **SEC. 3. DEFINITIONS.**

12 As used in this Act—

1           (1) the term “choice school” means any public  
2           or private school, including a private sectarian  
3           school or a public charter school, that is involved in  
4           a demonstration project assisted under this Act;

5           (2) the term “eligible child” means a child in  
6           grades 1 through 12 who is eligible for free or re-  
7           duced price lunches under the National School  
8           Lunch Act (42 U.S.C. 1751 et seq.);

9           (3) the term “eligible entity” means a public  
10          agency, institution, or organization, such as a State,  
11          a State or local educational agency, a consortium of  
12          public agencies, or a consortium of public and pri-  
13          vate nonprofit organizations, that can demonstrate,  
14          to the satisfaction of the Secretary, its ability to—

15                (A) receive, disburse, and account for Fed-  
16                eral funds; and

17                (B) carry out the activities described in its  
18                application under this Act;

19          (4) the term “evaluating agency” means any  
20          academic institution, consortium of professionals, or  
21          private or nonprofit organization, with demonstrated  
22          experience in conducting evaluations, that is not an  
23          agency or instrumentality of the Federal Govern-  
24          ment;

1           (5) the term “local educational agency” has the  
2           meaning given that term in section 14101 of the El-  
3           ementary and Secondary Education Act of 1965 (20  
4           U.S.C. 8801);

5           (6) the term “parent” includes a legal guardian  
6           or other individual acting in loco parentis;

7           (7) the term “school” means a school that pro-  
8           vides elementary education or secondary education  
9           (through grade 12), as determined under State law;  
10          and

11          (8) the term “Secretary” means the Secretary  
12          of Education.

13 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

14          There are authorized to be appropriated  
15          \$600,000,000 for fiscal year 1996 and such sums as may  
16          be necessary for each of the fiscal years 1997, 1998, 1999,  
17          and 2000 to carry out this Act.

18 **SEC. 5. PROGRAM AUTHORIZED.**

19          (a) RESERVATION.—From the amount appropriated  
20          pursuant to the authority of section 4 in any fiscal year,  
21          the Secretary shall reserve and make available to the  
22          Comptroller General of the United States 2 percent for  
23          evaluation of the demonstration projects assisted under  
24          this Act in accordance with section 11.

25          (b) GRANTS.—

1           (1) IN GENERAL.—From the amount appro-  
2           priated pursuant to the authority of section 4 and  
3           not reserved under subsection (a) for any fiscal year,  
4           the Secretary shall award grants to eligible entities  
5           to enable such entities to carry out at least 100  
6           demonstration projects under which low-income par-  
7           ents receive education certificates for the costs of en-  
8           rolling their eligible children in a choice school.

9           (2) AMOUNT.—The Secretary shall award  
10          grants under paragraph (1) for fiscal year 1996 in  
11          amounts of \$5,000,000 or less.

12          (3) CONTINUING ELIGIBILITY.—The Secretary  
13          shall continue a demonstration project under this  
14          Act by awarding a grant under paragraph (1) to an  
15          eligible entity that received such a grant for a fiscal  
16          year preceding the fiscal year for which the deter-  
17          mination is made, if the Secretary determines that  
18          such eligible entity was in compliance with this Act  
19          for such preceding fiscal year.

20          (c) USE OF GRANTS.—Grants awarded under sub-  
21          section (b) shall be used to pay the costs of—

22                (1) providing education certificates to low-in-  
23                come parents to enable such parents to pay the tui-  
24                tion, the fees, the allowable costs of transportation,  
25                if any, and the costs of complying with section

1 9(a)(1), if any, for their eligible children to attend  
2 a choice school; and

3 (2) administration of the demonstration project,  
4 which shall not exceed 15 percent of the amount re-  
5 ceived under the grant for the first fiscal year for  
6 which the eligible entity provides education certifi-  
7 cates under this Act or 10 percent of such amount  
8 for any subsequent year, including—

9 (A) seeking the involvement of choice  
10 schools in the demonstration project;

11 (B) providing information about the dem-  
12 onstration project, and the schools involved in  
13 the demonstration project, to parents of eligible  
14 children;

15 (C) making determinations of eligibility for  
16 participation in the demonstration project for  
17 eligible children;

18 (D) selecting students to participate in the  
19 demonstration project;

20 (E) determining the amount of, and issu-  
21 ing, education certificates;

22 (F) compiling and maintaining such finan-  
23 cial and programmatic records as the Secretary  
24 may prescribe; and

1 (G) collecting such information about the  
2 effects of the demonstration project as the eval-  
3 uating agency may need to conduct the evalua-  
4 tion described in section 11.

5 (d) SPECIAL RULE.—Each school participating in a  
6 demonstration project under this Act shall comply with  
7 title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d  
8 et seq.) which prohibits discrimination on the basis of  
9 race, color, or national origin.

10 **SEC. 6. AUTHORIZED PROJECTS; PRIORITY.**

11 (a) AUTHORIZED PROJECTS.—The Secretary may  
12 award a grant under this Act only for a demonstration  
13 project that—

14 (1) involves at least one local educational agen-  
15 cy that—

16 (A) receives funds under section 1124A of  
17 the Elementary and Secondary Education Act  
18 of 1965 (20 U.S.C. 6334); and

19 (B) is among the 20 percent of local edu-  
20 cational agencies receiving funds under section  
21 1124A of such Act (20 U.S.C. 6334) in the  
22 State that have the highest number of children  
23 described in section 1124(c) of such Act (20  
24 U.S.C. 6333(c)); and

1           (2) includes the involvement of a sufficient  
2       number of public and private choice schools, in the  
3       judgment of the Secretary, to allow for a valid dem-  
4       onstration project.

5       (b) PRIORITY.—In awarding grants under this Act,  
6       the Secretary shall give priority to demonstration  
7       projects—

8           (1) in which choice schools offer an enrollment  
9       opportunity to the broadest range of eligible chil-  
10      dren;

11          (2) that involve diverse types of choice schools;  
12      and

13          (3) that will contribute to the geographic diver-  
14      sity of demonstration projects assisted under this  
15      Act, including awarding grants for demonstration  
16      projects in States that are primarily rural and  
17      awarding grants for demonstration projects in States  
18      that are primarily urban.

19   **SEC. 7. APPLICATIONS.**

20       (a) IN GENERAL.—Any eligible entity that wishes to  
21      receive a grant under this Act shall submit an application  
22      to the Secretary at such time and in such manner as the  
23      Secretary may prescribe.

24       (b) CONTENTS.—Each application described in sub-  
25      section (a) shall contain—

1 (1) information demonstrating the eligibility of  
2 the eligible entity for participation in the demonstra-  
3 tion project;

4 (2) with respect to choice schools—

5 (A) a description of the standards used by  
6 the eligible entity to determine which public and  
7 private schools are within a reasonable commut-  
8 ing distance of eligible children and present a  
9 reasonable commuting cost for such eligible  
10 children;

11 (B) a description of the types of potential  
12 choice schools that will be involved in the dem-  
13 onstration project;

14 (C)(i) a description of the procedures used  
15 to encourage public and private schools to be  
16 involved in the demonstration project; and

17 (ii) a description of how the eligible entity  
18 will annually determine the number of spaces  
19 available for eligible children in each choice  
20 school;

21 (D) an assurance that each choice school  
22 will not impose higher standards for admission  
23 or participation in its programs and activities  
24 for eligible children provided education certifi-



1 cates under this Act than the choice school does  
2 for other children;

3 (E) an assurance that each choice school  
4 operated, for at least 1 year prior to accepting  
5 education certificates under this Act, an edu-  
6 cational program similar to the educational pro-  
7 gram for which such choice school will accept  
8 such education certificates;

9 (F) an assurance that the eligible entity  
10 will terminate the involvement of any choice  
11 school that fails to comply with the conditions  
12 of its involvement in the demonstration project;  
13 and

14 (G) a description of the extent to which  
15 choice schools will accept education certificates  
16 under this Act as full or partial payment for  
17 tuition and fees;

18 (3) with respect to the participation in the dem-  
19 onstration project of eligible children—

20 (A) a description of the procedures to be  
21 used to make a determination of the eligibility  
22 of an eligible child for participation in the dem-  
23 onstration project, which shall include—

24 (i) the procedures used to determine  
25 eligibility for free or reduced price lunches

1 under the National School Lunch Act (42  
2 U.S.C. 1751 et seq.); or

3 (ii) any other procedure, subject to  
4 the Secretary's approval, that accurately  
5 establishes the eligibility of an eligible child  
6 for such participation;

7 (B) a description of the procedures to be  
8 used to ensure that, in selecting eligible chil-  
9 dren to participate in the demonstration  
10 project, the eligible entity will—

11 (i) apply the same criteria to both  
12 public and private school eligible children;  
13 and

14 (ii) give priority to eligible children  
15 from the lowest income families;

16 (C) a description of the procedures to be  
17 used to ensure maximum choice of schools for  
18 participating eligible children, including proce-  
19 dures to be used when—

20 (i) the number of parents provided  
21 education certificates under this Act who  
22 desire to enroll their eligible children in a  
23 particular choice school exceeds the num-  
24 ber of eligible children that the choice  
25 school will accept; and

1 (ii) grant funds and funds from local  
2 sources are insufficient to support the total  
3 cost of choices made by parents with edu-  
4 cation certificates under this Act; and

5 (D) a description of the procedures to be  
6 used to ensure compliance with section 9(a)(1),  
7 which may include—

8 (i) the direct provision of services by  
9 a local educational agency; and

10 (ii) arrangements made by a local  
11 educational agency with other service pro-  
12 viders;

13 (4) with respect to the operation of the dem-  
14 onstration project—

15 (A) a description of the geographic area to  
16 be served;

17 (B) a timetable for carrying out the dem-  
18 onstration project;

19 (C) a description of the procedures to be  
20 used for the issuance and redemption of edu-  
21 cation certificates under this Act;

22 (D) a description of the procedures by  
23 which a choice school will make a pro rata re-  
24 fund of the education certificate under this Act  
25 for any participating eligible child who with-

1 draws from the school for any reason, before  
2 completing 75 percent of the school attendance  
3 period for which the education certificate was  
4 issued;

5 (E) a description of the procedures to be  
6 used to provide the parental notification de-  
7 scribed in section 10;

8 (F) an assurance that the eligible entity  
9 will place all funds received under this Act into  
10 a separate account, and that no other funds will  
11 be placed in such account;

12 (G) an assurance that the eligible entity  
13 will provide the Secretary periodic reports on  
14 the status of such funds;

15 (H) an assurance that the eligible entity  
16 will cooperate with the Comptroller General of  
17 the United States and the evaluating agency in  
18 carrying out the evaluations described in section  
19 11; and

20 (I) an assurance that the eligible entity  
21 will—

22 (i) maintain such records as the Sec-  
23 retary may require; and

24 (ii) comply with reasonable requests  
25 from the Secretary for information; and

1 (5) such other assurances and information as  
2 the Secretary may require.

3 **SEC. 8. EDUCATION CERTIFICATES.**

4 (a) EDUCATION CERTIFICATES.—

5 (1) AMOUNT.—The amount of an eligible  
6 child's education certificate under this Act shall be  
7 determined by the eligible entity, but shall be an  
8 amount that provides to the recipient of the edu-  
9 cation certificate the maximum degree of choice in  
10 selecting the choice school the eligible child will at-  
11 tend.

12 (2) CONSIDERATIONS.—

13 (A) IN GENERAL.—Subject to such regula-  
14 tions as the Secretary shall prescribe, in deter-  
15 mining the amount of an education certificate  
16 under this Act an eligible entity shall con-  
17 sider—

18 (i) the additional reasonable costs of  
19 transportation directly attributable to the  
20 eligible child's participation in the dem-  
21 onstration project; and

22 (ii) the cost of complying with section  
23 9(a)(1).

24 (B) SCHOOLS CHARGING TUITION.—If an  
25 eligible child participating in a demonstration

1 project under this Act was attending a public  
2 or private school that charged tuition for the  
3 year preceding the first year of such participa-  
4 tion, then in determining the amount of an edu-  
5 cation certificate for such eligible child under  
6 this Act the eligible entity shall consider—

7 (i) the tuition charged by such school  
8 for such eligible child in such preceding  
9 year; and

10 (ii) the amount of the education cer-  
11 tificates under this Act that are provided  
12 to other eligible children.

13 (3) SPECIAL RULE.—An eligible entity may pro-  
14 vide an education certificate under this Act to the  
15 parent of an eligible child who chooses to attend a  
16 school that does not charge tuition or fees, to pay  
17 the additional reasonable costs of transportation di-  
18 rectly attributable to the eligible child's participation  
19 in the demonstration project or the cost of comply-  
20 ing with section 9(a)(1).

21 (b) ADJUSTMENT.—The amount of the education cer-  
22 tificate for a fiscal year may be adjusted in the second  
23 and third years of an eligible child's participation in a  
24 demonstration project under this Act to reflect any in-  
25 crease or decrease in the tuition, fees, or transportation

1 costs directly attributable to that eligible child's continued  
 2 attendance at a choice school, but shall not be increased  
 3 for this purpose by more than 10 percent of the amount  
 4 of the education certificate for the fiscal year preceding  
 5 the fiscal year for which the determination is made. The  
 6 amount of the education certificate may also be adjusted  
 7 in any fiscal year to comply with section 9(a)(1).

8 (c) MAXIMUM AMOUNT.—Notwithstanding any other  
 9 provision of this section, the amount of an eligible child's  
 10 education certificate shall not exceed the per pupil expend-  
 11 iture for elementary or secondary education, as appro-  
 12 priate, by the local educational agency in which the public  
 13 school to which the eligible child would normally be as-  
 14 signed is located for the fiscal year preceding the fiscal  
 15 year for which the determination is made.

16 (d) INCOME.—An education certificate under this  
 17 Act, and funds provided under the education certificate,  
 18 shall not be treated as income of the parents for purposes  
 19 of Federal tax laws or for determining eligibility for any  
 20 other Federal program.

21 **SEC. 9. EFFECT ON OTHER PROGRAMS; USE OF SCHOOL**  
 22 **LUNCH DATA; CONSTRUCTION PROVISIONS.**

23 (a) EFFECT ON OTHER PROGRAMS.—

24 (1) IN GENERAL.—An eligible child participat-  
 25 ing in a demonstration project under this Act, who,

1 in the absence of such a demonstration project,  
2 would have received services under part A of title I  
3 of the Elementary and Secondary Education Act of  
4 1965 (20 U.S.C. 6311 et seq.) shall be provided  
5 such services.

6 (2) PART B OF THE INDIVIDUALS WITH DIS-  
7 ABILITIES EDUCATION ACT.—Nothing in this Act  
8 shall be construed to affect the requirements of part  
9 B of the Individuals with Disabilities Education Act  
10 (20 U.S.C. 1411 et seq.).

11 (3) COUNTING OF ELIGIBLE CHILDREN.—Not-  
12 withstanding any other provision of law, any local  
13 educational agency participating in a demonstration  
14 project under this Act may count eligible children  
15 who, in the absence of such a demonstration project,  
16 would attend the schools of such agency, for pur-  
17 poses of receiving funds under any program adminis-  
18 tered by the Secretary.

19 (b) USE OF SCHOOL LUNCH DATA.—Notwithstand-  
20 ing section 9 of the National School Lunch Act (42 U.S.C.  
21 1751 et seq.), an eligible entity receiving a grant under  
22 this Act may use information collected for the purpose of  
23 determining eligibility for free or reduced price lunches to  
24 determine an eligible child's eligibility to participate in a  
25 demonstration project under this Act and, if needed, to



1 rank families by income, in accordance with section  
2 7(b)(3)(B)(ii). All such information shall otherwise remain  
3 confidential, and information pertaining to income may be  
4 disclosed only to persons who need that information for  
5 the purposes of a demonstration project under this Act.

6 (c) CONSTRUCTION PROVISIONS.—

7 (1) OTHER INSTITUTIONS.—Nothing in this Act  
8 shall be construed to supersede or modify any provi-  
9 sion of a State constitution or State law that pro-  
10 hibits the expenditure of public funds in or by reli-  
11 gious or other private institutions, except that no  
12 provision of a State constitution or State law shall  
13 be construed or applied to prohibit—

14 (A) any eligible entity receiving funds  
15 under this Act from using such funds to pay  
16 the administrative costs of a demonstration  
17 project under this Act; or

18 (B) the expenditure in or by religious or  
19 other private institutions of any Federal funds  
20 provided under this Act.

21 (2) DESEGREGATION PLANS.—Nothing in this  
22 Act shall be construed to interfere with any desegre-  
23 gation plans that involve school attendance areas af-  
24 fected by this Act.

1           (3) PROHIBITION OF FEDERAL DIRECTOR, SU-  
2       PERVISION OR CONTROL.—Nothing in this Act shall  
3       be construed to authorize the Secretary or any em-  
4       ployee, officer, or agency of the Department of Edu-  
5       cation to exercise any direction, supervision, or con-  
6       trol over the curriculum, program of instruction, or  
7       personnel decisions of any educational institution or  
8       school participating in a demonstration project as-  
9       sisted under this Act.

10 **SEC. 10. PARENTAL NOTIFICATION.**

11       Each eligible entity receiving a grant under this Act  
12       shall provide timely notice of the demonstration project  
13       to parents of eligible children residing in the area to be  
14       served by the demonstration project. At a minimum, such  
15       notice shall—

16           (1) describe the demonstration project;

17           (2) describe the eligibility requirements for par-  
18       ticipation in the demonstration project;

19           (3) describe the information needed to make a  
20       determination of eligibility for participation in the  
21       demonstration project for an eligible child;

22           (4) describe the selection procedures to be used  
23       if the number of eligible children seeking to partici-  
24       pate in the demonstration project exceeds the num-

1       ber that can be accommodated in the demonstration  
2       project;

3           (5) provide information about each choice  
4       school participating in the demonstration project, in-  
5       cluding information about any admission require-  
6       ments or criteria for each choice school participating  
7       in the demonstration project; and

8           (6) include the schedule for parents to apply for  
9       their eligible children to participate in the dem-  
10      onstration project.

11 **SEC. 11. EVALUATION.**

12       (a) ANNUAL EVALUATION.—

13           (1) CONTRACT.—The Comptroller General of  
14       the United States shall enter into a contract, with  
15       an evaluating agency that has demonstrated experi-  
16       ence in conducting evaluations, for the conduct of an  
17       ongoing rigorous evaluation of the demonstration  
18       projects under this Act.

19           (2) ANNUAL EVALUATION REQUIREMENT.—The  
20       contract described in paragraph (1) shall require the  
21       evaluating agency entering into such contract to an-  
22       nually evaluate each demonstration project under  
23       this Act in accordance with the evaluation criteria  
24       described in subsection (b).

1           (3) TRANSMISSION.—The contract described in  
2       paragraph (1) shall require the evaluating agency  
3       entering into such contract to transmit to the Comp-  
4       troller General of the United States—

5           (A) the findings of each annual evaluation  
6       under paragraph (1); and

7           (B) a copy of each report received pursu-  
8       ant to section 12(a) for the applicable year.

9       (b) EVALUATION CRITERIA.—The Comptroller Gen-  
10   eral of the United States, in consultation with the Sec-  
11   retary, shall establish minimum criteria for evaluating the  
12   demonstration projects under this Act. Such criteria shall  
13   provide for—

14           (1) a description of the implementation of each  
15       demonstration project under this Act and the dem-  
16       onstration project's effects on all participants,  
17       schools, and communities in the demonstration  
18       project area, with particular attention given to the  
19       effect of parent participation in the life of the school  
20       and the level of parental satisfaction with the dem-  
21       onstration project; and

22           (2) a comparison of the educational achieve-  
23       ment of all students in the demonstration project  
24       area, including a comparison of—

1 (A) students receiving education certifi-  
2 cates under this Act; and

3 (B) students not receiving education cer-  
4 tificates under this Act.

5 **SEC. 12. REPORTS.**

6 (a) REPORT BY GRANT RECIPIENT.—Each eligible  
7 entity receiving a grant under this Act shall submit to the  
8 evaluating agency entering into the contract under section  
9 11(a)(1) an annual report regarding the demonstration  
10 project under this Act. Each such report shall be submit-  
11 ted at such time, in such manner, and accompanied by  
12 such information, as such evaluating agency may require.

13 (b) REPORTS BY COMPTROLLER GENERAL.—

14 (1) ANNUAL REPORTS.—The Comptroller Gen-  
15 eral of the United States shall report annually to the  
16 Congress on the findings of the annual evaluation  
17 under section 11(a)(2) of each demonstration project  
18 under this Act. Each such report shall contain a  
19 copy of—

20 (A) the annual evaluation under section  
21 11(a)(2) of each demonstration project under  
22 this Act; and

23 (B) each report received under subsection  
24 (a) for the applicable year.

1           (2) FINAL REPORT.—The Comptroller General  
2       shall submit a final report to the Congress within 9  
3       months after the conclusion of the demonstration  
4       projects under this Act that summarizes the findings  
5       of the annual evaluations conducted pursuant to sec-  
6       tion 11(a)(2).



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